

Medicaid Volume III-D
Effective March 1, 2003

The following changes are effective March 1, 2003.

- The income limit for the poverty-related Aged and Disabled Medicaid programs has been changed from 100% of the federal poverty level to 75% of the federal poverty level (FPL.) Individuals whose net countable income exceeds 75% of the FPL will no longer qualify without cost. They may be eligible for Medicaid under the Medically Needy program by spending down to the BMS. This change also means that for the Medicaid Work Incentive, a person with income over 75% of the FPL will be charged a MWI buy-in premium. The percentage of the premium will be 30% for income between 75% FPL and 125% FPL.

If a person is disabled and has earned income, then they may be eligible under the Medicaid Work Incentive program.

Individuals with Medicare Part A will continue to be eligible for the QMB or the SLMB programs that will pay their Part B premiums.

Individuals who do not want to pay a spenddown and who have no other health insurance or Medicare coverage may be eligible for the Primary Care Network.

Changes have been made in numerous locations in policy to change the poverty percentage level from 100% to 75%. Minor editing changes have been made to correct typographical errors, wrong word use, or improve clarity.

- Table of Contents. Several changes have been made in the Table of Contents to correspond to changes in this bulletin.
- Sec. 312. I have added language about 1619(b) eligible persons to the policy because a 1619(b) eligible person is to be treated like an SSI recipient. Please note the changes made in 312-2, 312-3, and 312-4. Also, in Sec. 312, I added information about the participation codes to use for different household members. We have found cases where dependent children who are not disabled have been coded with a "DM" participation on ABD programs. These children should be coded "OU" otherwise deeming does not occur correctly, and the wrong household size may be used to determine eligibility. On occasion we have found that a spouse is coded "OU" on the other spouse's case. A spouse living in the home cannot be coded "OU" unless that spouse is on an HCB waiver program. Please be careful to use the correct participation codes.

I added a note at the end of 312 about the FPL limit used before March 1, 2003. This is to help staff when deciding eligibility for retroactive months before March 2003.

- Sec. 313. This section also has changes of the 100% FPL to 75% FPL. In addition, language about a 1619(b) eligible person has been added. Other changes are mostly editorial to increase understanding.

- Sec. 314. This section also has changes of the 100% FPL to 75% FPL. This change in the eligibility income limit for the poverty-related A and D programs means that a MWI eligible individual must start paying a premium when income exceeds 75% of the FPL.
- Sec. 403-4, #7, the name of the **Green Thumb** program has been changed to **Experience Works**.
- 403-4, #37 has been added for a new excluded income. The Department of Defense makes payments to certain individuals who were captured by North Vietnam and held as prisoners. The payments will be a one-time lump sum of \$40,000. The payment can be increased if the individual was imprisoned for over 20 years. The Dept. of Defense will add \$2000 for each year over 20 years, or a portion of \$2000 for partial years over 20 years, up to a total of \$50,000. These payments will be made to the individual, or if deceased, to a surviving spouse or surviving children. The payment is excluded as income and resources for whomever receives it. It is the type of excluded payment that must be maintained in a separate account. Interest payments on retained funds may count as income, unless they can be excluded as irregular and infrequent, and as a resource if retained. The resource exclusion is in 521-39.
- Sec. 403-13 has been added to describe payments received under personal injury lawsuits or insurance claims. In general, any payments a person receives because of a claim for personal injury is countable income; any amounts retained into the next month count as resources.

Certain expenses will be deducted before payment is made to the individual. Expenses can include court costs, legal fees, medical bills paid directly from the claim, and a Medicaid lien. Expenses do not include taxes the individual may owe or legal expenses not associated with obtaining the money. When workers learn that a client will be receiving, or has received, a settlement of this type, the worker should make sure that ORS knows about the settlement. ORS may be able to place a lien on the settlement for Medicaid expenses paid on behalf of the individual.

Sometimes the individual may divert the payment(s) to a trust. If a trust is established, forward the trust document and the documents about the settlement to the BES Program Specialists. If the individual is disabled, an exempt special needs trust may be set up allowing the payment to be excluded from income and assets.

- Sec. 407 has some changes to include more information about settlements received from personal injury suits to make it clear that any portion paid to the client is counted. Any portion that ORS collects in repayment of a Medicaid lien is not counted as income to the client.

- Sec. 503-3 has been modified because it was not technically correct. Under ABD Medicaid, we use a one-person asset limit for a single person who does not have a spouse or is not living with a spouse. We will use a two-person asset limit for a person who is living with a spouse, except when the spouse is eligible under a Home and Community based waiver program. In all cases except when a spouse is on a waiver program, the spouse's participation should either be coded "IN," "DM" or "SS." A spouse on a waiver should be coded "OU" for the other spouse's ABD Medicaid coverage.

For Medicare Cost-Sharing programs (QMB, SLMB, and QI-1), the spouse should be coded "IN," "DM" or "SS." This includes a spouse living in the home who is covered by a waiver program, because for the Medicare Cost-Sharing programs, we first determine eligibility as a couple. Please review the rewrite of this section.

- Sec. 521-39 has been added to exempt from resources, payments from the Dept. of Defense to certain individuals who were captured and held prisoner by North Vietnam. Accumulated interest on such funds is not exempt from resources.
- Sec. 531-5 has been added to discuss treatment of lump-sum payments a client receives from personal injury claims or from insurance settlements.
- Sec. 815-3 has a change in the poverty rate from 100% to 75%, plus some minor editing.
- Index pages have been updated to correspond with the changes in this bulletin.

File this cover letter after Bulletin DOH-IIID-2003 #1.

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